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FISCAL IMPACT STATEMENT

LS 7226

BILL NUMBER: HB 1233

NOTE PREPARED: Apr 20, 2011

BILL AMENDED: Apr 20, 2011

SUBJECT: State Boards and Commissions.

FIRST AUTHOR: Rep. Wolkins

FIRST SPONSOR: Sen. Miller

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill has the following provisions:

Interim Study Committee on Insurance: The bill establishes the Interim Study Committee on Insurance.

Health Care Facility Advisory Council: It creates the Health Care Facility Advisory Council and transfers the duties of the Hospital Council, the Home Health Care Services and Hospice Services Council, and the Indiana Health Facilities Council to the Health Care Facility Advisory Council.

Accountants: The bill establishes a 30-day grace period for individuals who do not renew a professional license before expiration under certain conditions. It creates a two-month amnesty program for accountants who failed to renew licenses and meet certain requirements during a specified period. It changes the phrase "quality review" to "peer review" for purposes of laws governing public accountancy beginning July 1, 2012.

The bill permits a peer review rating of fail to be used in disciplining a certified public accountant or public accounting firm after June 30, 2012. It specifies that an accountant must return to a client certain client records within 45 days. The bill also provides civil immunity to a person engaged in a quality review or peer review or administering a quality review or peer review program.

Occupational Therapist Assistants: It requires occupational therapist assistants (OTAs) to be licensed.

Patient Drug Regimen: The bill specifies requirements for outpatient pharmacy drug therapy protocols. It changes the requirements for a physician to provide supervision for a physician assistant (PA). The bill allows the Medical Licensing Board (Board) to: (1) grant a waiver to the requirement concerning physical

location of a supervisory physician in relation to a PA's onsite location; and (2) deny supervisory agreements. (Current law requires the Board to approve supervisory agreements.) It removes certain limitations on PA prescribing and dispensing certain drugs and controlled substances, and it requires that the supervising physician or physician designee review PA patient encounters within 72 hours. The bill allows for electronic prescriptions from a practitioner for certain drugs. It requires the Board to adopt rules concerning continuing competency requirements for physical therapists and physical therapist assistants before license or certification renewal.

Eliminations and Repeals: It eliminates the Law Enforcement Training Board Advisory Council.

It repeals:

- The Public Officers Compensatory Advisory Commission (IC 2-5-1.5)
- The Personnel Advisory Board (IC 4-15-1, IC 4-15-2-2.2, and IC 4-15-2.5-2);
- The Motor Vehicle Sales Advisory Board (IC 9-23-1);
- Operation Lifesaver Program (IC 9-27-2-12);
- The Medicaid Work Incentives Council (IC 12-15-42);
- New Harmony Commission (IC 14-20-4);
- Hospital Council (IC 16-21-1);
- Home Health Care Services and Hospice Services Council (IC 16-27-0.5);
- Indiana Health Facilities Council (IC 16-28-1); and
- Mandated Health Benefits Task Force (IC 27-1-3-30).

It also repeals the following entities:

- (1) The Indiana Tobacco Use Prevention and Cessation Advisory Board;
- (2) The Indiana Health Care Account Advisory Board;
- (3) The Indiana Occupational Information Coordinating Committee;
- (4) The White River State Park Development Commission Advisory Councils; and
- (5) The Indiana Organic Peer Review Panel.

Lake Michigan Marina and Shoreline Development Commission: It combines the Lake Michigan Marina Development Commission and the Shoreline Development Commission into a new entity called the Lake Michigan Marina and Shoreline Development Commission.

It makes conforming changes.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Summary-* Cost savings of at most \$34,850 may result from the elimination of these boards, committees, commissions, and councils. Appropriations for salary per diem, travel, and other reimbursement or expenses would revert to state funds or would not be budgeted. Additionally, state officers and agencies may provide assistance to some of these entities, resulting in cost or labor savings to the extent that agency positions devoted to staffing boards, commissions, and committees could be eliminated or reassigned to other functions. Some of the responsibilities of the eliminated boards, committees, and commissions are retained and transferred to other entities. The bill creates the Health Care Facility Advisory Council. Most of the terminated entities are funded with state General Fund dollars, but some receive funds from dedicated sources.

[Note: To calculate the cost savings, the statutory minimum number of meetings was used, or four meetings a year was substituted when the number was not specified in statute. For some committees no meetings were used when there was an indication the entity had not met recently. A cost of \$100 per member was used to stand in for salary per diem, travel, or other reimbursement. Currently, for executive committee meetings, the salary per diem for lay members is \$50 and the travel reimbursement is \$0.40 per mile. State employees receive up to \$97 for lodging.]

Occupational Therapist Assistants: Possible expenditures for a transition between certification and licensure could include the replacement of pocket cards for current certified OTAs to indicate licensure and possible OTA examination revisions. The expenditures needed to implement a licensure program for OTAs would depend on administrative actions of the Occupational Therapists Committee and the Medical Licensing Board. [The Professional Licensing Agency reports, as of September 2010, there were 1,190 OTAs certified.]

Health Care Facility Advisory Council: The bill eliminates three function-specific advisory councils, consolidating the function into the 18-member Health Care Facility Advisory Council that is required to meet at least three times annually. Currently, the three advisory councils are required to pay salary per diem plus travel expenses of the members and are constituted as follows: (1) The Hospital Council is required to meet a minimum of two times each year and is comprised of 9 members, 2 of whom are state employees; (2) the Home Health Care Services and Hospice Services Council is required to meet four times annually and is comprised of 16 members, 2 of whom are state employees; and (3) the Indiana Health Facilities Council is required to meet at least six times per year and is comprised of 14 members, 3 of whom are state employees. If all members attended the minimum number of meetings required each year, the savings due to the reduction of meetings and membership would be \$4,850 (included in the summary total above). Savings due to a reduction in travel expenses reimbursed would depend on actual attendance at meetings and the home stations of the appointed members. Consolidation of the three councils may speed the ISDH rule promulgation process. ISDH reported that consolidation of the advisory councils is expected to save \$10,000 to \$15,000 annually.

(Revised) *Interim Study Committee on Insurance:* This bill establishes the eight-member legislative Interim Study Committee on Insurance. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$9,500 per interim for committees with fewer than 16 members. The Interim Study Committee on Insurance is to study issues concerning insurance in Indiana as determined by the committee chairperson, assigned by Legislative Council, regulated under IC 27 or concerning Worker's Compensation Insurance. The Committee reports to the Legislative Council not later than November 1 of each year.

(Revised) *Accountants:* The Professional Licensing Agency (PLA) would have to oversee an amnesty program that would allow accountants that did not renew their license between January 1, 2003, and June 30, 2011, to be renewed as long as the accountants meet the requirements of the bill. The amnesty program would have a duration of one fiscal year: July 1, 2011, to June 30, 2012.

The bill would charge an amnesty fee in addition to the missed renewal fees and current renewal fee to each qualifying accountant wishing to renew. The amount of expenditures necessary to implement this provision is unknown and would depend on the number of persons seeking license renewal under the proposed amnesty program.

(Revised) *Accountants - Use of Peer Reviews:* The impact of this provision would depend on the number of failing "peer reviews" reported to the Attorney General (AG). If the provision requires more business

meetings of the Accountancy Board to decide further disciplinary matters, board members could receive additional per diem and traveling expenses.

With respect to the AG, the bill does not provide an appropriation, therefore any additional peer review complaints the AG investigates and/or prosecutes would have to be accomplished within existing resources.

(Revised) *Accountants - Client Records*: Accountants not following the requirements of this provision, if reported, could be disciplined by the Accountancy Board. The Accountancy Board may suspend, revoke, reprimand, or place on probation an accountant's license. The impact of this provision would depend on the number of complaints received and Board action.

(Revised) *Physician Assistants*: The Medical Licensing Board may require additional time to consider the rejection of an applicants' requests to change or add a supervising physician or to review and make a determination to grant waiver requests for onsite location modifications. This provision could reduce the amount of time the MLB would have to devote to other board business.

(Revised) *Additional Information- Eliminations and Repeals*: The table below summarizes information concerning the other boards, task forces, committees, and commissions eliminated in this bill.

Code Site Name Duties	No. of Members	Appointing Authority Chair Appointment	No. of Meetings	Compensation	Staff
IC 2-5-1.5 Public Officers Compensatory Advisory Commission Recommend suitable compensation of public officers	9	Multiple Legislative	As Needed	Salary per diem; travel; expenses	LSA
IC 4-12-4-16 Indiana Tobacco Use Prevention and Cessation Advisory Board Recommend to the executive committee concerning mission statement and long range plan; criteria for evaluation of grant applications; coordination of public and private efforts concerning reduction and prevention of tobacco usage, other.	As many as appointed by the Governor	Governor Executive Director	At least quarterly	Not entitled to salary or reimbursement	
IC 4-12-5-5 Indiana Health Care Account Advisory Board Make recommendations to the governor, the budget agency, and the general assembly concerning the priorities for appropriation and distribution of money from the account.	20	Ex officio; Legislature; Governor Governor	At least quarterly	Traveling and other expenses for nonstate and state employees; General Assembly - salary per diem, mileage, travel	Budget Agency

Code Site Name Duties	No. of Members	Appointing Authority Chair Appointment	No. of Meetings	Compensation	Staff
IC 4-15-1-1 Indiana Personnel Advisory Board Enforces, through the personnel director, the career bipartisan personnel system, and shall have the power to promulgate all rules necessary for the most effective administration of the system.	7	Governor Board Elects	Resolution and call of chair	salary and travel	Personnel Administration Office
IC 4-23-20 Indiana Occupational Information Coordinating Committee Develop, maintain, and operate a comprehensive occupational information system that will meet the common needs for the planning for, and the operation of, programs of employment, training, vocational education, vocational rehabilitation, and economic development agencies.	6	Governor Committee Elects	At least quarterly	No additional compensation	Indiana Employment Security Division
IC 5-2-1-3 Law Enforcement Training Board Advisory Council Assist the members of the board in an advisory, nonvoting capacity.	5	Ex officio; Governor			
IC 9-23-1 Motor Vehicle Sales Advisory Board Advise the Secretary of State in the administration of the article concerning vehicle manufacturers, distributors, and dealers.	8	Governor Ex officio	First month of year, plus call of chair or three members	Expenses and per diem	
IC 9-27-2-12 Operation Lifesaver Advisory Committee Advise the Director of Traffic Safety in matters relating to the promotion and coordination of public education concerning railroad grade crossing safety.	8	Governor			
IC 12-15-42 Medicaid Work Incentives Council Report annually concerning feasibility of employer-sponsored buy-in Medicaid programs and personal care assistance services to individuals participating in a Medicaid buy-in program.	15	Governor; Legislature Governor	At least quarterly	Nonstate employee - salary and travel; state employee - travel; General Assembly - salary per diem, mileage and travel allowance	Office of Medicaid Policy and Planning

Code Site Name Duties	No. of Members	Appointing Authority Chair Appointment	No. of Meetings	Compensation	Staff
IC 14-13-1-22 Indiana State Capitol Health Council Advise and recommend to the commission concerning the development, implementation, and facilitation of programs, projects, and events for participation by the public in the areas of biology, medicine, pharmaceuticals, nutrition, and related areas.	Not more than 20	Governor Governor			
IC 14-13-1-23 Indiana State Capitol Food and Agriculture Council Advise and make recommendations to the Commission concerning the development, implementation, and facilitation of athletic and recreational programs, projects, events, facilities, and related matters	Not more than 20	Governor Governor			
IC 14-13-1-24 Indiana State Capitol Athletic Council Advise and make recommendations to the commission concerning the development, implementation, and facilitation of athletic and recreational programs, projects, events, facilities, and related matters	Not more than 20	Governor Governor			
IC 14-13-1-25 Indiana State Capitol Animal and Wildlife Council Advise and make recommendations to the Commission concerning the development, implementation, and facilitation of programs, projects, and events for participation by the public in the areas of domestic and nondomestic animal science, breeding, and care, veterinary science, animal nutrition, zoological science, animal wildlife study, and related areas	Not more than 20	Governor Governor			
IC 14-20-4 New Harmony Commission Protect the area from environmental degradation and development	9 + 2 nonvoting legislative members	Ex officio; Governor Governor	At least 4 times per year	Nonstate employee - salary and travel; state employee - travel	

Code Site Name Duties	No. of Members	Appointing Authority Chair Appointment	No. of Meetings	Compensation	Staff
IC 15-15-8-9 Indiana Organic Peer Review Panel (1) Adopt standards to be used in reviewing the procedure by which certifying agents certify that the agricultural product was produced or handled in accordance with the regulations adopted under the Organic Foods Production Act. (2) Review all applicants every three years. (3) Prepare and submit a report concerning each applicant to the director. (4) Assist the director in evaluating applications for accreditation from applicants. (5) Establish fees to be paid by an applicant seeking accreditation from the director to certify organic products. The fees established may not exceed the costs of administering this chapter.	9	Governor Panel	Quarterly	No salary per diem; traveling expenses	
IC 27-1-3-30 *Task Force to Review Mandated Benefits and Mandated Benefit Proposals Upon request, assess the social, medical, and financial impacts of at least one mandated benefit or one mandated benefit proposal each year	10	Governor		Nonstate employee - salary, travel and other expenses; state employee - travel and other expenses	Department of Insurance
*The task force in IC 27-1-3-30 expired on December 31, 2010. The bill will remove the task force statute from the Indiana Code.					

Explanation of State Revenues: Occupational Therapist Assistants: Currently, fees for the occupational therapist license and the aide certification are \$100 for both issuance and renewal. Revenues for FY 2009 and FY 2010 totaled \$418,551.

(Revised) *Accountants:* Each accountant eligible to renew under the amnesty program would have to pay a \$100 amnesty fee in addition to all other fees mentioned above. Amnesty fee revenue would be placed in the Accountant Investigative Fund (AIF). Revenue in the AIF does not revert to the state General Fund at the end of a state fiscal year. The amount of revenue the amnesty fee (to the AIF) and regular renewal fees (to the General Fund) could generate under this provision is unknown and would depend on the eligible number of persons applying.

It is unknown, how many accountants would be eligible for renewal under the proposed amnesty program.

(Revised) *Accountants - Use of Peer Reviews:* State revenue generated by licensing fees of accountants may decline if fewer accountants or accountancy firms were allowed to be issued or renew their licenses. Any reduction in fee revenue would depend on Accountancy Board and AG action. All revenue from licensing fees for accountants is placed in the state General Fund.

(Revised) *Accountants - Client Records*: Accountants not following this provision could have civil penalties imposed by the Accountancy Board. Any civil penalties imposed could not be more than \$1,000 per violation.

(Revised) *Background*: The fee structure for accountants is on a three-year-cycle. Revenue collected from accountant licensing fees totaled \$84,923 in FY 2008, \$672,277 in FY 2009, and \$263,910 in FY 2010. As of September 15, 2010, there were 10,699 certified public accountants, 79 public accountants, 1,119 accountancy firms, and 321 accountancy professional corporations licensed by the Professional Licensing Agency.

Explanation of Local Expenditures: *Lake Michigan Marina and Shoreline Development Commission*: The bill consolidates two separate commissions with a single commission, which potentially could reduce costs. However, if the commissions currently do not meet or have minimal expenditures, changes in the commissions could have minimal fiscal impact or could increase costs with more frequent meetings.

Background & Additional Information:

The combined Lake Michigan Marina and Shoreline Development Commission is to have 24 members, including 16 voting members and 8 nonvoting members. The membership is comprised from among the members of the two predecessor commissions, with certain changes. The following information describes the existing statute concerning the predecessor commissions.

Lake Michigan Marina Development Commission: Under current law, the Lake Michigan Marina Development Commission (LMMDC) consists of 10 members, with 7 voting members (including the executives of Gary, Hammond, East Chicago, Portage, Michigan City, Whiting, a member appointed jointly by the executives of Burns Harbor, Porter, Ogden Dunes, Dune Acres, and Beverly Shores) and 3 nonvoting members (including the president of the Indiana Economic Development Corporation or a designee, the director of the Department of Natural Resources, and the director of Office of Tourism or a designee). The members of the LMMDC are not entitled to receive a per diem, but may be reimbursed for mileage or travel.

The LMMDC studies various plans and recommendations concerning marina development along the strip of land in Indiana abutting Lake Michigan and the tributaries of Lake Michigan (the corridor), prepares a comprehensive plan, recommends state and local legislation for development of marinas, and coordinates the implementation of the plan and legislation. The LMMDC may grant money to local government units for the construction or improvement of marinas that are consistent with the plans, standards, and criteria established by the LMMDC. The LMMDC prepares and adopts an annual budget that is submitted to each county, municipality, or agency appropriating money for use by the LMMDC.

Shoreline Development Commission: The Shoreline Development Commission (SDC) has 24 members, including the mayors of East Chicago, Gary, Hammond, Michigan City, Portage, and Whiting; 2 representatives of steel companies that own land abutting Lake Michigan; a representative of a company that is not a steel company and that owns land abutting Lake Michigan; a representative of a public utility that owns real property in counties contiguous to Lake Michigan; a representative of the Indiana Department of Environmental Management, the Department of Natural Resources, the Indiana Department of Transportation, Beverly Shores, Burns Harbor, Dune Acres, Ogden Dunes, the Northwest Indiana Advisory Board; the port director of the Port of Indiana-Burns Harbor; a member appointed by the Lieutenant

Governor, 2 members of the Indiana House of Representatives, and 2 members of the Indiana Senate.

Members of the SDC who are state employees but not members of the General Assembly are entitled to traveling expense reimbursement; members who are not state employees are entitled to a per diem and traveling expense reimbursement; and members of the SDC who are also members of the General Assembly are entitled to per diem, mileage, and travel allowance, which is paid from appropriations to the Legislative Council or Legislative Services Agency.

The SDC identifies qualifying properties; prepares a comprehensive master plan for development and redevelopment within the corridor, coordinates implementation of the plan, and monitors plan implementation; establishes guidelines for evaluation of applications for grants from the Shoreline Environmental Trust Fund (SETF); refers grants to the executive committee of the SDC for approval; prepares and provides information to political subdivisions on the finance assistance from the SETF; reports annually to the Governor, Lieutenant Governor, Indiana Economic Development Corporation, the Legislative Council, and all concerned political subdivisions. The SDC also employs an executive director and other individuals necessary to carry out its functions. The executive committee of the SDC manages all functions related to the provision of grants and approves the annual budget for the SDC.

History of the Predecessor Commissions: In HEA 1001-2009(ss), the SDC received an appropriation of \$1.0 M per year in FY 2010 and FY 2011 for operating expenses. The SDC has met twice (May 2002 and June 2002) and has not met since.

The LMMDC provided funding for several marinas in the 1980s and 1990s, and it held for several years an appropriation of \$1.2 M for a marina in the city of Gary. Recently, the city of Gary initiated a design of a marina, and the LMMDC provided the \$1.2 M to the city of Gary. The LMMDC then divided the interest earnings of the money among the member communities. The LMMDC has been meeting bimonthly for the last two years.

Explanation of Local Revenues:

State Agencies Affected: Several.

Local Agencies Affected: Lake Michigan Marina Development Commission; Shoreline Development Commission.

Information Sources: Jody Melton, Northwest Indiana Planning Commission; HEA 1001-2009(ss). Professional Licensing Agency, active licenses count 9/15/2010; State Budget Agency, Auditor's database.

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